

AMENDED IN SENATE MAY 3, 2006
AMENDED IN SENATE APRIL 18, 2006
AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1622

Introduced by Senator Escutia

February 24, 2006

An act to add Section 12693.335 to the Insurance Code, and to add Article 7.5 (commencing with Section 1120) to Chapter 4 of Part 1 of Division 1 of the Unemployment Insurance Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1622, as amended, Escutia. Healthy Families Program and Medi-Cal: employee eligibility.

Existing law provides for various health programs under which qualified low-income persons are provided health care services. These programs include the Medi-Cal program, which is administered by the State Department of Health Services, and the Healthy Families Program, which is administered by the Managed Risk Medical Insurance Board. Existing law also requires the Employment Development Department to administer the unemployment compensation system and makes it a misdemeanor for a person to fail to supply information required by the Unemployment Insurance Code.

This bill would require the State Department of Health Services and the Managed Risk Medical Insurance Board to develop, *on or before January 1, 2008*, an informational document, referred to as the "Employee Notification of Eligibility for Healthy Families/Medi-Cal," containing certain information about the Healthy Families Program

and the Medi-Cal program. The bill would require California employers *within identified industries*, as specified, to provide the notice to employees, and would specify that a violation of that requirement is a misdemeanor. The bill would also require the Employment Development Department to notify those employers of the requirements relating to the Employee Notification of Eligibility for Healthy Families/Medi-Cal.

Because the bill would expand the scope of a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12693.335 is added to the Insurance
- 2 Code, to read:
- 3 12693.335. ~~The~~ *On or before January 1, 2008, the* board, in
- 4 collaboration with the State Department of Health Services, shall
- 5 develop an informational document, which may be referred to as
- 6 the “Employee Notification of Eligibility for Healthy
- 7 Families/Medi-Cal,” that California employers described in
- 8 Section 1120 of the Unemployment Insurance Code shall provide
- 9 to their employees. The document shall contain all of the
- 10 following:
- 11 (a) A notification to employees of the availability of health
- 12 coverage for children through the Healthy Families Program and
- 13 the Medi-Cal program.
- 14 (b) A description of program eligibility including, but not
- 15 limited to, all of the following:
- 16 (1) Income eligibility criteria.
- 17 (2) A clarifying statement that declares individuals who
- 18 receive an income may meet program eligibility requirements.

1 (3) A clarifying statement that declares individuals who do not
2 receive income assistance may meet program eligibility
3 requirements.

4 (c) A description of how to obtain additional information
5 about the programs, as well as application materials and
6 enrollment instructions for the programs.

7 (d) The document shall be in a form that is easily duplicated
8 by employers and transmitted by the board to the Employment
9 Development Department.

10 (e) The document shall be made available in English and in
11 each language spoken by 5 percent or more of the employer's
12 employees who are non-English-speaking people, ~~as defined in~~
13 ~~Section 7296.2 of the Government Code.~~ *When requested by an*
14 *employer, the board shall produce a copy of the document in any*
15 *language spoken by five percent or more of the employer's*
16 *employees. For the purposes of this section,*
17 *"non-English-speaking" means an individual who is a member*
18 *of a group who either does not speak English or who is unable to*
19 *effectively communicate in English because it is not his or her*
20 *native language.*

21 SEC. 2. Article 7.5 (commencing with Section 1120) is added
22 to Chapter 4 of Part 1 of Division 1 of the Unemployment
23 Insurance Code, to read:

24
25 Article 7.5. Healthy Families Program and Medi-Cal
26

27 1120. (a) An employer identified by the department pursuant
28 to Section 1121 shall provide the Employee Notification of
29 Eligibility for Healthy Families/Medi-Cal, as described in
30 Section 12693.335 of the Insurance Code, to an employee hired
31 on and after March 31, 2008, within 10 days from the date the
32 employee was hired, or with the first itemized wage statement
33 furnished pursuant to Section 226 of the Labor Code, whichever
34 occurs first. *However, if Managed Risk Medical Insurance Board*
35 *has not completed development of the document at that time, the*
36 *employer shall provide the document to the employee within 90*
37 *days after the date that the board makes the document available*
38 *on the Internet.*

39 (b) An employer identified by the department pursuant to
40 Section 1121 shall provide an Employee Notification of

1 Eligibility for Healthy Families/Medi-Cal to each person who is
2 employed by that employer prior to March 31, 2008, within 90
3 days after the date that the Managed Risk Medical Insurance
4 Board makes the document available on the Internet. However,
5 an employer shall not be required to provide the notice prior to
6 March 31, 2008.

7 (c) A violation of this section is a misdemeanor as provided in
8 Section 2117.

9 1121. (a) The department shall identify industries whose
10 wage and compensation levels include a majority of employees
11 *with family members* potentially eligible for children's health
12 insurance through the Healthy Families Program or the Medi-Cal
13 program. The department shall notify ~~those identified employers~~
14 *employers within those identified industries* who are registered
15 with the department on December 31, 2007, of the requirements
16 of this article. This notice may be provided in the department's
17 "California Employer" quarterly newsletter, or other means used
18 by the department to clearly, effectively, and concisely
19 communicate with all employers in a form that any reasonable
20 business person would know where to look for the information.
21 The notice shall include the following information:

22 (1) The Internet Web site where employers may obtain the
23 Employee Notification of Eligibility for Healthy
24 Families/Medi-Cal.

25 (2) The telephone number to call to obtain the Employee
26 Notification of Eligibility for Healthy Families/Medi-Cal.

27 (3) A statement that employers may not discontinue existing
28 health care coverage for their employees to take advantage of the
29 coverage offered under the Healthy Families Program and the
30 Medi-Cal program.

31 (4) A statement that an employer may not discriminate against
32 any employee on the basis of ancestry, race, or national origin.

33 (b) The department shall notify the identified employers
34 described in subdivision (a) who register with the department
35 after December 31, 2007, of this article's requirements. This
36 notice shall provide the same information required under
37 paragraphs (1), (2), and (3) of subdivision (a).

38 (c) The department shall post the Employee Notification of
39 Eligibility for Healthy Families/Medi-Cal on the Internet in a

1 format that is easily downloaded in PDF format, text format, as
2 well as other appropriate formats.

3 1122. The department shall collaborate with the Managed
4 Risk Medical Insurance Board and the State Department of
5 Health Services to implement this article and the related
6 provisions of the Insurance Code relating to the Healthy Families
7 Program and the Medi-Cal program. The department may
8 distribute information on behalf of the board if both agencies
9 determine it is the most cost-effective method of distribution.

10 SEC. 3. No reimbursement is required by this act pursuant to
11 Section 6 of Article XIII B of the California Constitution because
12 the only costs that may be incurred by a local agency or school
13 district will be incurred because this act creates a new crime or
14 infraction, eliminates a crime or infraction, or changes the
15 penalty for a crime or infraction, within the meaning of Section
16 17556 of the Government Code, or changes the definition of a
17 crime within the meaning of Section 6 of Article XIII B of the
18 California Constitution.